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C O N F I D E N T I A L SECTION 01 OF 02 CHIANG MAI 000141

SIPDIS

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SUBJECT: BURMESE EXILES APPLAUD USG POLICY REVIEW, URGE SKEPTICISM

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CLASSIFIED BY: Alex Barrasso, Chief, Pol/Econ, CG Chiang Mai.
REASON: 1.4 (d)

Summary and Comment

¶1. (C) In a wide-ranging discussion with CG and P/E Chief, three prominent Chiang Mai-based Burmese exiles warmly welcomed the outcome of the USG's Burma policy review, but urged us to proceed cautiously and with a healthy dose of skepticism. They expressed concern that the U.S. might take big steps in response to small concessions by the regime. Also, they encouraged us to focus on the 2010 electoral process, and to reassure the Burmese people that our engaging in dialogue with the regime does not mean we are abandoning the Burmese people.

¶2. (C) Comment: We were encouraged by the positive reception to the roll-out of the policy. Since many Thai-based Burmese exiles wield influence in Congress, we believe having their support for the new approach is important. We will continue to emphasize in our outreach to the exile community that while we are changing our tactics, our core strategic goals in Burma remain the same. End Summary and Comment.

Good Policy, Proceed Cautiously

¶3. (C) On October 1, CG hosted a coffee for three prominent Chiang Mai-based Burmese exiles - Irrawaddy Editor Aung Zaw, Win Min from the Vahu Development Institute, and Toe Zaw Latt, the Director of the Democratic Voice of Burma's Thailand Bureau. Drawing from the background/talking points provided in the Department's September 30 press guidance, CG opened the meeting by emphasizing the key elements of our new approach. He emphasized that while we were using new tactics, our core strategic goals in Burma had not changed.

14. (C) All three interlocutors expressed support for our decision to start a dialogue with Burma, but encouraged us to proceed cautiously, fearing that the U.S. might respond by taking significant steps (i.e. scaling back sanctions) in response to disproportionate, small concessions by the Burmese regime. The package is "really good, even too good," opined Aung Zaw, cautioning that he did not expect the regime to take steps that addressed our core concerns. "You need a Plan B and Plan C," he added, stating that nevertheless, "talking is better than shouting." Toe Zaw Latt praised engagement and noted that the impact would not be immediate, but asked what our expectations were, whether we had a timeline/benchmarks in place, and whether the Burmese military really wanted to engage.

Elections Hold the Keys

15. (C) Win Min focused on the 2010 elections, advocating for the U.S. to lay down strong markers about the process. Aung San Suu Kyi (ASSK) still enjoys strong support inside Burma, he noted. He highlighted the importance of coordinating next steps with her, and of electoral monitoring. The regime wants her party - the National League for Democracy - to participate in the elections, but only in a weakened state, he said. Aung Zaw opined that whereas the West would only accept a credible election, other countries in the region would accept even a rigged one. CG responded that we recognize the 2010 elections are unlikely to be fully free and fair, and that the USG is taking a long-term approach toward change in Burma. This underscores the importance of having the dialogue include other issues (i.e. counter-narcotics, non-proliferation), where

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near-term progress could serve as a confidence-builder that in turn could enable progress on bigger-picture political concerns in the future.

16. (C) Aung Zaw opined that World War II remains recovery might be an issue on which cooperation could begin soon. Toe Zaw Latt cited releasing ASSK as one step the regime could take to build confidence, though Aung Zaw noted she could be used as a pawn and rearrested. "It is important to state clearly where you stand on key issues (release of ASSK, counternarcotics cooperation), especially for people inside who need to know that USG dialogue with the regime does not mean America is abandoning them," he stated. "People want to manipulate the U.S., and U.S. businesses `want in'," he cautioned, urging us to proceed gingerly in response to any regime concessions.

17. (C) Win Min underscored the importance of the U.S. talking to someone who can influence Senior General Than Shwe. Aung Zaw surmised that if the regime sees the 2010 elections as its "exit strategy," Than Shwe may be willing to make several concessions in the run-up. The regime may see the elections as entrenching military rule, thereby making other issues of concern to the U.S. less significant to Rangoon and therefore negotiable, since the regime is on the verge of achieving what it sees as its ultimate goals, he added.MORROW